

23rd June 2020

Rt Hon Jesse Norman MP
Financial Secretary (HM Treasury)
1 Horse Guards Rd,
Westminster
London
SW1H 2HQ

Sent by email to Rt Hon Jesse Norman MP

Dear Financial Secretary,

Statutory Sick Pay (SSP) Impact - Extension of Coronavirus SSP Rebate Scheme

We write as representatives of the UK's recruitment business sector. The UK recruitment profession is perhaps the world's best recognised, and our members place individuals into a range of permanent and temporary roles across the entire economy, from highly skilled professionals in blue-chip companies, to key workers in the social care sector, transport, and food supply chains.

Collectively our members support many thousands of individuals in work daily across the UK. Since the Coronavirus crisis arose in early March our members have been seriously concerned about their exposure to SSP, which is of course an employer cost payable from day one of sickness for COVID-19 related absence. They are grateful to Government for the prompt introduction of the Statutory Sick Pay (General) (Coronavirus Amendment) Regulations 2020 and the rebate for those employers with less than 250 workers across all of their PAYE payroll schemes. Nonetheless, our members are in a unique position; they may have few members of their own staff but a sizeable payroll of agency workers. Our largest members have agency worker payrolls running into the tens of thousands, dwarfing their direct employee numbers. This particularly exposes them to the financial impact of SSP, an employer cost they are unable commercially to claim back from end-user clients in most cases.

Our members are particularly concerned about the impact of self-isolation, in particular "test and trace" absences, in the coming months into winter and beyond. Furlough support will end, meaning no ongoing financial support for payrolls, people will return to their normal workplaces and children to school. This will result in far greater number of SSP claims than members are currently experiencing during lockdown. Some of our members, particularly those with very large agency worker payrolls, run their businesses on very tight margins, which are likely to get even tighter as the economy struggles to recover. They simply do not have the cashflow to finance high numbers of SSP payments and this could become a solvency issue.

With these points in mind, we urge you to immediately extend the 14-day refund to employers with more than 250 employees across their PAYE payrolls. If this is considered to be too great a cost to

Government then we ask that the rebate is extended to all employers when the absence arises from COVID-19 self-isolation or alternatively that recruitment businesses are recognised as requiring specific Government support on SSP payments for COVID-19 related absence.

The recruitment industry is the engine that will get the UK back to work. Its innate flexibility, scope and scale across all sectors and regions makes it uniquely positioned to support the public and private sectors as they deal with the challenges ahead. However, to do so, it must be able to operate effectively. If supporting temporary agency work becomes a financial cost to a business, then we know from previous downturns that market forces drive activity into profit making areas and, it is likely to be the lower skilled sectors supporting key workers that suffer.

We are keen to discuss with you how we may assist in policy in this area and please do not hesitate to contact us.

Yours faithfully,



Ann Swain
APSCo Chief Executive



Jackie Torr
TEAM Managing Director



Simon Garbett
TEAM Chairman



Neil Carberry
REC Chief Executive



David Camp
ALP Chief Executive

CC Rt. Hon. Dr. Thérèse Coffey MP